

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 510 - SB 899**

March 14, 2021

**SUMMARY OF BILL:** Effective January 1, 2022, enacts the *Innovation FastTrack Act* (the Act) by authorizing the Commissioner of the Department of Commerce and Insurance (Commissioner) to issue a regulatory innovation FastTrack to license a person to pilot test an innovation. Defines “innovation” as the incorporation of a new or emerging technology to provide a product, service, or business model that has no comparable, widely available equivalent in this state. Establishes that the regulatory innovation FastTrack cannot waive any statutory or regulatory requirements concerning licensing under Title 56, any taxes or fees, federal requirements, or the *Consumer Protection Act of 1977*. Requires the Department to provide a list of innovation participants and the terms of the innovation FastTrack on its website. Requires the Department to hold a public hearing before issuing an extension to an innovation participant. Authorizes the Commissioner to collect a regulatory innovation FastTrack application fee equal to the license fee that would otherwise be required to offer the innovation.

Authorizes the Commissioner only to waive statutes and rules subject to enforcement by the Commissioner. Requires the Commissioner to provide the Joint Government Operations Committees and legislative librarian with an annual report by December 31 of all active innovation participants and the statutory and regulatory requirements that have been waived for each participant. Requires the Joint Government Operations Committees to consider if the statutory requirements that have been waived should remain unchanged, be appealed, or be amended and submit the recommendation to the Speakers of the Senate and House of Representatives.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The proposed legislation establishes that the Commissioner is prohibited from waiving any statutory or regulatory requirements concerning the application of any taxes or fees or federal requirements.
- The Commissioner is only authorized to waive statutes and rules subject to enforcement by the Commissioner.
- It is assumed that the Commissioner will charge the innovation FastTrack applicant a fee equivalent to the licensure fee that would otherwise be required to offer the innovation;

therefore, no decrease in revenue or expenditures estimated for the Department of Commerce and Insurance or Division of Regulatory Boards.

- Innovation FastTrack participants are not exempt from regulation under the *Consumer Protection Act of 1977*.
- Committing an unfair or deceptive practice under the Consumer Protection Act is a Class B misdemeanor offense.
- It is not estimated there will be a sufficient number of prosecutions for state or local government to experience any significant increase in revenue or expenditures.
- The Department can provide a list of innovation participants on its website and hold any necessary public hearings within existing resources.
- The Commissioner can administer the program and provide an annual report of the active participants to the Joint Government Operations Committees and legislative librarian within existing resources.
- The Joint Government Operations Committees meet throughout the year; therefore, any statutory review of innovation participants can be accomplished without any increase in travel expenditures.

## **IMPACT TO COMMERCE:**

### **NOT SIGNIFICANT**

#### Assumptions:

- It is assumed that any participant under the Act will be required to pay an application fee equivalent to what the applicant would pay for licensure that would otherwise be required to offer the innovation.
- No significant impact to jobs or commerce in Tennessee.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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